

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name		County
Fiscal Year End	Opinion Date		Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES  
NO

**Check each applicable box below.** (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature	Printed Name		License Number	

CHARTER TOWNSHIP OF SUPERIOR

REPORT ON AUDIT OF  
FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2007

## **CHARTER TOWNSHIP OF SUPERIOR**

### **TOWNSHIP OFFICIALS**

Supervisor - William McFarlane  
Clerk - Kay Williams  
Treasurer - Brenda McKinney

### **BOARD OF TRUSTEES**

William McFarlane  
Kay Williams  
Brenda McKinney  
Nancy Caviston  
David Phillips  
Lisa Lewis  
Rodrick Green

### **LEGAL COUNSEL**

Reading, Etter & Lillich  
Hamilton, McDonald & Carter  
and  
Lucas Law, P.C.

### **TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

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**PFEFFER • HANNIFORD • PALKA**  
*Certified Public Accountants*

**John M. Pfeffer, C.P.A.**  
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April 25, 2008

Board of Trustees  
Charter Township of Superior  
3040 North Prospect  
Ypsilanti, MI 48198

**INDEPENDENT AUDITORS' REPORT**

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Superior, as of and for the year ended December 31, 2007, which collectively comprise the Charter Township of Superior's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Superior's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Superior, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and other required supplementary information on pages 8 through 13 and 53 through 55 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Superior's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining and individual fund statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Pfeffer, Hanniford & Palka, P.C.*

**PFEFFER, HANNIFORD & PALKA**  
Certified Public Accountants

MANAGEMENT  
DISCUSSION  
AND  
ANALYSIS



Within this section of Charter Township of Superior's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended December 31, 2007. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

### Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

### ***Government-wide Financial Statements***

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include water & sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has three kinds of funds:

*Governmental funds* are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

*Proprietary funds* are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

*Fiduciary funds* are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

### ***Notes to the financial statements***

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

### ***Other information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

### ***Financial analysis of the Township as a whole***

The Township had implemented the new financial reporting model used in this report beginning with the fiscal year ended December 31, 2004.

The Township's net assets at the end of the year were \$29,480,244. This is a \$2,824,516 increase over last year's net assets of \$26,655,728.

The following tables provide a summary of the Township's financial activities and changes in net assets:

CHARTER TOWNSHIP OF SUPERIOR  
SUMMARY OF NET ASSETS  
DECEMBER 31, 2006 AND 2007

	Governmental Activities			Business Type Activities			Totals		
	12/31/06	12/31/07	Increase (Decrease)	12/31/06	12/31/07	Increase (Decrease)	12/31/06	12/31/07	Increase (Decrease)
<b>ASSETS</b>									
Current and other assets	\$ 7,870,029	\$ 9,828,336	\$ 1,958,307	\$ 9,589,839	\$ 9,454,036	\$ (135,803)	\$ 17,459,868	\$ 19,282,372	\$ 1,822,504
Capital assets	4,702,950	5,148,895	445,945	17,374,438	17,485,975	111,537	22,077,388	22,634,870	557,482
Total assets	12,572,979	14,977,231	2,404,252	26,964,277	26,940,011	(24,266)	39,537,256	41,917,242	2,379,986
<b>LIABILITIES</b>									
Other liabilities	405,227	473,792	68,565	526,583	201,446	(325,137)	931,810	675,238	(256,572)
Deferred revenues	3,684,718	3,866,760	182,042				3,684,718	3,866,760	182,042
Bonds and contracts payable	1,358,571	1,307,142	(51,429)	6,906,429	6,587,858	(318,571)	8,265,000	7,895,000	(370,000)
Total liabilities	5,448,516	5,647,694	199,178	7,433,012	6,789,304	(643,708)	12,881,528	12,436,998	(444,530)
<b>NET ASSETS</b>									
Invested in capital assets, net of related debt	3,344,379	3,841,753	497,374	10,468,008	10,898,117	430,109	13,812,387	14,739,870	927,483
Unrestricted	3,780,084	5,487,784	1,707,700	9,063,257	9,252,590	189,333	12,843,341	14,740,374	1,897,033
Total net assets	\$ 7,124,463	\$ 9,329,537	\$ 2,205,074	\$ 19,531,265	\$ 20,150,707	\$ 619,442	\$ 26,655,728	\$ 29,480,244	\$ 2,824,516

CHARTER TOWNSHIP OF SUPERIOR  
SUMMARY OF CHANGES IN NET ASSETS  
FOR THE YEARS ENDING DECEMBER 31, 2006 AND 2007

	Governmental Activities			Business Type Activities			Totals		
	12/31/06	12/31/07	Increase (Decrease)	12/31/06	12/31/07	Increase (Decrease)	12/31/06	12/31/07	Increase (Decrease)
<b>REVENUES</b>									
Program revenues									
Charges for services	\$ 725,691	\$ 592,277	\$ (133,414)	\$ 2,639,067	\$ 2,564,537	\$ (74,530)	\$ 3,364,758	\$ 3,156,814	\$ (207,944)
Capital/operating grants and contributions	92,000	202,345	110,345	216,820	715,383	498,563	308,820	917,728	608,908
General revenues									
State shared revenues	773,057	763,256	(9,801)				773,057	763,256	(9,801)
Property taxes	2,920,183	3,675,498	755,315				2,920,183	3,675,498	755,315
Interest	262,608	319,216	56,608	474,281	455,324	(18,957)	736,889	774,540	37,651
Other	357,315	1,527,593	1,170,278				357,315	1,527,593	1,170,278
Total revenues	<u>5,130,854</u>	<u>7,080,185</u>	<u>1,949,331</u>	<u>3,330,168</u>	<u>3,735,244</u>	<u>405,076</u>	<u>8,461,022</u>	<u>10,815,429</u>	<u>2,354,407</u>
<b>EXPENSES</b>									
General government	1,236,519	1,394,740	158,221				1,236,519	1,394,740	158,221
Building department	357,964	358,090	126				357,964	358,090	126
Fire protection	1,530,600	1,485,510	(45,090)				1,530,600	1,485,510	(45,090)
Police protection	771,106	1,038,884	267,778				771,106	1,038,884	267,778
Parks and recreation	194,160	191,568	(2,592)				194,160	191,568	(2,592)
Public works	196,153	306,596	110,443				196,153	306,596	110,443
Legal defense		53,888	53,888					53,888	53,888
Library	46,000		(46,000)				46,000		(46,000)
Interest on long-term debt	47,093	45,835	(1,258)				47,093	45,835	(1,258)
Water and sewer systems				2,980,352	3,115,802	135,450	2,980,352	3,115,802	135,450
Total expenses	<u>4,379,595</u>	<u>4,875,111</u>	<u>495,516</u>	<u>2,980,352</u>	<u>3,115,802</u>	<u>135,450</u>	<u>7,359,947</u>	<u>7,990,913</u>	<u>630,966</u>
CHANGE IN NET ASSETS	751,259	2,205,074	1,453,815	349,816	619,442	269,626	1,101,075	2,824,516	1,723,441
BEGINNING NET ASSETS	<u>6,373,204</u>	<u>7,124,463</u>	<u>751,259</u>	<u>19,181,449</u>	<u>19,531,265</u>	<u>349,816</u>	<u>25,554,653</u>	<u>26,655,728</u>	<u>1,101,075</u>
ENDING NET ASSETS	<u>\$ 7,124,463</u>	<u>\$ 9,329,537</u>	<u>\$ 2,205,074</u>	<u>\$ 19,531,265</u>	<u>\$ 20,150,707</u>	<u>\$ 619,442</u>	<u>\$ 26,655,728</u>	<u>\$ 29,480,244</u>	<u>\$ 2,824,516</u>

### Financial Analysis of the Township as a whole (continued)

In 2007 the Township's revenues for Governmental activities increased significantly due to a new assessment district (Hyundai Road) of \$1,250,000. Expenses increased slightly because of police protection and public works.

The proprietary activity (water and sewer) had an overall increase in its net assets of \$619,442 due mostly to increased tap fees.

### Financial Analysis of the Township's Major Funds

In 2007 there were four major funds.

1. General Fund - overall the General Fund continues to be strong financially. Its fund balance increased almost \$39,000 after supporting other funds with the usual transfers of approximately \$173,000.
2. Fire Operating Fund - The operations of the Fire Fund resulted in an increase of its fund balance \$66,585 after transfers out to the Fire Reserves Fund. The Township continues to place emphasis on building up the Fire Department's reserves for future obligations as noted in the notes. As of December 31, 2007 the following shows overall net fund balances for the two fire funds:

Major Fire Operating Fund	\$ 493,830
Non-Major Fire Reserves Fund	<u>1,118,998</u>
Total Fire Fund Balance	<u><u>\$ 1,612,828</u></u>

3. Law Enforcement Fund - The Law Fund also increased its fund balance significantly from \$169,063 to \$509,739. The Township Board consciously, decided to increase the fund balance because of anticipated significant increases in contract costs with Washtenaw County Sheriff Department.
4. The Hyundai SAD Fund was created in December 2007. Whereas a special assessment was levied in total for \$1,250,000 to repay bonds which were sold in January 2008. This is a road project in which the Township acted as an intermediary. The construction is being handled by Washtenaw County. In essence the bond proceeds went directly to the County. The repayment of the bonds will be paid through the assessment.

### General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Total budgeted appropriations exceeded actual expenditures by \$78,804. Expenditures are budgeted by activity, and only three (3) activities exceeded budgeted appropriations by minimal amounts. The budget was amended during the year to account for immaterial economic reality discrepancies.

### Capital Asset and Debt Administration

The governmental funds of the Township purchased \$622,567 of new capital assets this year. Over \$400,000 of these purchases went toward the fire department.

The governmental funds issued no debt during the year, but managed to extinguish \$51,429 of the \$1,500,000 previously outstanding debt related to the fire hall construction.

The business-type activities began several construction projects for the water and sewer department totaling over \$2.5 million for the prior year, and \$3.6 million in 2007. Over \$6 million of infrastructure was capitalized in 2007.

The business-type activities issued no debt for the year ended December 31, 2007.

### Economic Conditions and Future Activities

The Township is anticipating a further drop in state revenue sharing for its general fund to continue into next year due to the declining economic environment. State Revenue Sharing is made up of two components, statutory and constitutional. The constitutional amount can not be adjusted by the state legislature and accounted for approximately 96% of the total received. The statutory amount can be adjusted by the state legislature and accounted for approximately 4% received. The Township will continue to have a slow down in its building department which will keep building revenues low. The Township will review personnel costs in this area to not overextend itself.

### Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact the Charter Township of Superior at 3040 North Prospect, Ypsilanti, Michigan, 48198.

BASIC  
FINANCIAL  
STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL  
STATEMENTS



CHARTER TOWNSHIP OF SUPERIOR  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2007

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,420,598	\$ 8,822,885	\$ 13,243,483
Receivables			
Taxes	2,293,553		2,293,553
Grant	117,326		117,326
Special assessments	1,296,697		1,296,697
State shared revenues	248,398		248,398
Other	115,253	494,641	609,894
Intergovernmental	1,303,360	39,032	1,342,392
Inventory		82,290	82,290
Prepaid expenditures	33,151	15,188	48,339
Capital assets:			
Land	1,109,547	140,660	1,250,207
Buildings and improvements	4,072,590	3,169,630	7,242,220
Utility system		16,585,534	16,585,534
Vehicles and equipment	1,659,263	399,917	2,059,180
Construction in progress		348,806	348,806
Less: accumulated depreciation	(1,692,505)	(3,158,572)	(4,851,077)
Total assets	<u>14,977,231</u>	<u>26,940,011</u>	<u>41,917,242</u>
<b>LIABILITIES</b>			
Accounts payable	152,022	137,768	289,790
Accounts payable - intergovernmental		3,025	3,025
Accrued compensated absences	321,770	35,546	357,316
Deposits		25,107	25,107
Deferred revenues	3,866,760		3,866,760
Contracts payable		4,845,000	4,845,000
Bonds payable	<u>1,307,142</u>	<u>1,742,858</u>	<u>3,050,000</u>
Total liabilities	<u>5,647,694</u>	<u>6,789,304</u>	<u>12,436,998</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	3,841,753	10,898,117	14,739,870
Unrestricted	<u>5,487,784</u>	<u>9,252,590</u>	<u>14,740,374</u>
Total net assets	<u>\$ 9,329,537</u>	<u>\$ 20,150,707</u>	<u>\$ 29,480,244</u>

The accompanying notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF SUPERIOR  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ (1,394,740)	\$ 271,325	\$ 202,000	\$	\$ (921,415)	\$	\$ (921,415)
Building department	(358,090)	198,171			(159,919)		(159,919)
Fire protection	(1,485,510)	6,600	345		(1,478,565)		(1,478,565)
Police protection	(1,038,884)	111,356			(927,528)		(927,528)
Parks and recreation	(191,568)	4,825			(186,743)		(186,743)
Public works	(306,596)				(306,596)		(306,596)
Legal defense	(53,888)				(53,888)		(53,888)
Interest on long-term debt	(45,835)				(45,835)		(45,835)
Total governmental activities	(4,875,111)	592,277	202,345		(4,080,489)		(4,080,489)
Business-type activities - sewer and water	(3,115,802)	2,564,537	43,383	672,000		164,118	164,118
Total	<u>\$ (7,990,913)</u>	<u>\$ 3,156,814</u>	<u>\$ 245,728</u>	<u>\$ 672,000</u>	<u>(4,080,489)</u>	<u>164,118</u>	<u>(3,916,371)</u>
General revenues							
Property taxes					3,675,498		3,675,498
Interest - special assessments					1,344,161		1,344,161
Disposition of assets					10,400		10,400
State shared revenues					763,256		763,256
Unrestricted investment earnings					319,216	455,324	774,540
Rental income					2,676		2,676
Cable franchise fees					124,992		124,992
Other income					23,369		23,369
Fines and forfeitures					21,995		21,995
Total general revenues					6,285,563	455,324	6,740,887
Changes in net assets					2,205,074	619,442	2,824,516
Net assets, January 1, 2007					7,124,463	19,531,265	26,655,728
Net assets, December 31, 2007					<u>\$ 9,329,537</u>	<u>\$ 20,150,707</u>	<u>\$ 29,480,244</u>

The accompanying notes are an integral part of the financial statements.

FUND  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF SUPERIOR  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2007

	General Fund	Fire Fund	Law Fund	Hyundai SAD Fund	Other Non-major Funds	Totals
<u>ASSETS</u>						
ASSETS						
Cash and equivalents	\$ 675,907	\$ 659,372	\$ 626,830	\$	\$ 2,458,489	\$ 4,420,598
Receivables						
Accounts receivable - taxes	289,103	1,156,234	760,070		88,146	2,293,553
Accounts receivable - grant	117,326					117,326
Special assessment				1,250,000	46,697	1,296,697
State shared revenue receivable	248,398					248,398
Due from other funds	239,806	616,958	405,673		96,199	1,358,636
Accounts receivable - other	110,159	1,700	3,394			115,253
Prepaid expenditures	5,392	18,034			9,725	33,151
Total assets	<u>\$ 1,686,091</u>	<u>\$ 2,452,298</u>	<u>\$ 1,795,967</u>	<u>\$ 1,250,000</u>	<u>\$ 2,699,256</u>	<u>\$ 9,883,612</u>
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Accounts payable	\$ 122,685	\$ 13,083	\$ 4,604	\$	\$ 11,650	\$ 152,022
Deferred revenue	485,202	1,940,513	1,275,674	1,250,000	165,371	5,116,760
Due to other funds	5,330	4,872	5,950		39,124	55,276
Total liabilities	<u>613,217</u>	<u>1,958,468</u>	<u>1,286,228</u>	<u>1,250,000</u>	<u>216,145</u>	<u>5,324,058</u>
FUND BALANCE						
Reserved						
Park land development					12,948	12,948
Unreserved						
Designated	25,679		351,755		1,918,068	2,295,502
Undesignated	1,047,195	493,830	157,984		552,095	2,251,104
Total fund equity	<u>1,072,874</u>	<u>493,830</u>	<u>509,739</u>		<u>2,483,111</u>	<u>4,559,554</u>
Total liabilities and fund balance	<u>\$ 1,686,091</u>	<u>\$ 2,452,298</u>	<u>\$ 1,795,967</u>	<u>\$ 1,250,000</u>	<u>\$ 2,699,256</u>	<u>\$ 9,883,612</u>

The accompanying notes are an integral part of the financial statements.

**PFEFFER, HANNIFORD & PALKA**

*Certified Public Accountants*

CHARTER TOWNSHIP OF SUPERIOR  
RECONCILIATION OF STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
DECEMBER 31, 2007

Amounts reported for governmental activities in the Statement  
of Net Assets are different because:

Total fund balance per balance sheet	\$ 4,559,554
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Capital assets used in governmental activities are not  
financial resources and therefore are not  
reported in the funds:

Historical cost	\$ 6,841,400	
Depreciation	<u>(1,692,505)</u>	
Capital assets net of depreciation		5,148,895

Some liabilities are not due and payable in the current period  
and therefore are not reported in the funds. This includes:

Bonds payable	(1,307,142)	
Compensated absences	<u>(321,770)</u>	
Total		(1,628,912)

Deferred revenues on special assessments was recognized as  
revenue in the government-wide statements. Assessments are  
income as they are assessed.

<u>1,250,000</u>
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Net assets of governmental activities	<u><u>\$ 9,329,537</u></u>
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The accompanying notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF SUPERIOR  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007

	General Fund	Fire Fund	Law Fund	Other Non-major Funds	Totals
REVENUES					
Taxes	\$ 462,562	\$ 1,844,146	\$ 1,224,190	\$ 144,600	\$ 3,675,498
Special assessments				94,161	94,161
Law enforcement			109,871		109,871
Accounting fees	19,300				19,300
Trailer fees	3,803				3,803
Cable fees	124,992				124,992
State shared revenue	763,256				763,256
Departmental fees	100				100
Planning department	161,263				161,263
Summer tax collection fees	21,113				21,113
Solid waste	3,775				3,775
Building department	40,881				40,881
ROW fees	8,759				8,759
Cell tower fees	7,906				7,906
Ordinance fees	4,425				4,425
Grants	202,000	345			202,345
Charges for services		6,600	1,485	202,996	211,081
Rental income				2,676	2,676
Reimbursements	4,648	2,838			7,486
Sale of assets		12,000			12,000
Fines and forfeitures			21,995		21,995
Interest income	120,343	60,262	38,407	100,204	319,216
Other income	14,955	828		100	15,883
Total revenues	<u>1,964,081</u>	<u>1,927,019</u>	<u>1,395,948</u>	<u>544,737</u>	<u>5,831,785</u>
EXPENDITURES					
Elected officials	470,233				470,233
General government	1,058,884				1,058,884
Public works	223,257				223,257
Building department				343,067	343,067
Fire protection		1,349,609		415,176	1,764,785
Legal defense				53,888	53,888
Parks and recreation					
Administration				74,898	74,898
Recreation				15,454	15,454
Maintenance and improvements				116,896	116,896
Law enforcement					
Crime control			1,032,421		1,032,421
Neighborhood watch			560		560
Tax chargebacks			2,291		2,291
Side street maintenance				14,126	14,126
Utilities				69,213	69,213
Debt - principal		51,429			51,429
Debt - interest		45,835			45,835
Total expenditures	<u>1,752,374</u>	<u>1,446,873</u>	<u>1,035,272</u>	<u>1,102,718</u>	<u>5,337,237</u>

CHARTER TOWNSHIP OF SUPERIOR  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS (continued)  
 FOR THE YEAR ENDED DECEMBER 31, 2007

	General Fund	Fire Fund	Law Fund	Other Non-major Funds	Totals
Excess of revenues over (under) expenditures	211,707	480,146	360,676	(557,981)	494,548
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	(172,744)	(413,561)	(20,000)	606,305	
Net changes in fund balances	38,963	66,585	340,676	48,324	494,548
FUND BALANCE, JANUARY 1, 2007	1,033,911	427,245	169,063	2,434,787	4,065,006
FUND BALANCE, DECEMBER 31, 2007	<u>\$ 1,072,874</u>	<u>\$ 493,830</u>	<u>\$ 509,739</u>	<u>\$ 2,483,111</u>	<u>\$ 4,559,554</u>

The accompanying notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF SUPERIOR  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2007

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$	494,548
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$	622,567	
Depreciation expense		<u>(175,022)</u>	
Net			447,545

In the Statement of Activities, only the loss on the sale of assets is reported, whereas in the Governmental Funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the assets sold.

Net book value of asset dispositions		(1,600)
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Repayment of bond and contract payable is an expenditure in the governmental funds, but the repayment deducts long-term liabilities in the Statement of Net Assets.

Repayment of bonds payable		51,429
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Accrued absences for vacation and sick time for the employees is recorded on the Statement of Net Assets.

Accrued absences at December 31, 2006		284,922	
Accrued absences at December 31, 2007		<u>(321,770)</u>	
Net			(36,848)

Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities.

New assessment levied		<u>1,250,000</u>
Change in net assets of governmental activities		<u><u>\$ 2,205,074</u></u>

The accompanying notes are an integral part of the financial statements.



CHARTER TOWNSHIP OF SUPERIOR  
 PROPRIETARY FUND - WATER AND SEWER FUND  
 STATEMENT OF NET ASSETS  
 DECEMBER 31, 2007

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,336,246	
Due from other funds	39,032	
Accounts receivable - billing	346,265	
Accounts receivable - other	148,376	
Prepaid expenses	15,188	
Inventory	<u>82,290</u>	
Total current assets		\$ 1,967,397

RESTRICTED ASSETS

Cash and cash equivalents		7,486,639
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PROPERTY, PLANT, EQUIPMENT AND CONSTRUCTION IN PROGRESS

Land	140,660	
Building	3,148,259	
Water and sewer systems	15,626,271	
Equipment and improvements	849,255	
Office improvements	21,371	
Office equipment	161,597	
Vehicles	238,320	
Metering program	110,008	
Construction in progress	<u>348,806</u>	
	20,644,547	
Less: accumulated depreciation	<u>3,158,572</u>	
Net property, plant and equipment		<u>17,485,975</u>
Total assets		<u>26,940,011</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	137,768	
Accrued sick and vacation	35,546	
Customer deposits	25,107	
Due to other funds	3,025	
Contract payable (from restricted assets)	260,000	
Bonds payable (from restricted assets)	<u>74,286</u>	
Total current liabilities		535,732

LONG-TERM LIABILITIES

Contract payable (from restricted assets)	4,585,000	
Bonds payable (from restricted assets)	<u>1,668,572</u>	
Total long-term liabilities		<u>6,253,572</u>
Total liabilities		<u>6,789,304</u>

NET ASSETS

NET ASSETS

Invested in capital assets, net of related debt	10,898,117	
Unrestricted	<u>9,252,590</u>	
Total net assets		<u>\$ 20,150,707</u>

The accompanying notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF SUPERIOR  
 PROPRIETARY FUND, WATER AND SEWER FUND  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2007

<b>OPERATING REVENUES</b>	
Charges for services	\$ 2,531,067
Meter sales	<u>33,470</u>
Total operating revenues	<u>2,564,537</u>
<b>OPERATING EXPENSES</b>	
Water and sewer purchases	1,530,146
Depreciation	445,076
Operating supplies and meters	76,065
Office expenses	3,328
Professional services	32,939
Salaries and wages	374,187
Payroll taxes	29,366
Taxable benefits	21,034
Health insurance	69,044
Pension	37,845
Telecommunications	12,137
Insurance	16,842
Transportation	1,403
Utilities	41,951
Repairs and maintenance	64,697
Publications	3,634
Memberships and dues	5,743
Computer expenses	10,612
Training and other employee expense	3,036
Uniforms	2,451
Health savings expense	8,875
Leased equipment	<u>4,589</u>
Total operating expenses	<u>2,795,000</u>
<b>OPERATING (LOSS)</b>	<u>(230,463)</u>
<b>NON-OPERATING REVENUES AND (EXPENSES)</b>	
Interest income - operations	73,282
Interest income - restricted	382,042
Interest expense - debt	(320,308)
Agency fees - debt	(494)
Grant	<u>43,383</u>
Total non-operating revenues and (expenses)	<u>177,905</u>
Income before capital contributions	(52,558)
<b>CAPITAL CONTRIBUTIONS</b>	
Connection fees - cash	<u>672,000</u>
Change in net assets	619,442
<b>NET ASSETS, JANUARY 1, 2007</b>	<u>19,531,265</u>
<b>NET ASSETS, DECEMBER 31, 2007</b>	<u><u>\$ 20,150,707</u></u>

The accompanying notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF SUPERIOR  
WATER AND SEWER FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2007

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:

Cash received from users	\$ 3,201,754	
Cash payments to employees	(374,187)	
Cash payments to suppliers	<u>(2,335,851)</u>	
Net cash from operating activities		\$ 491,716

CASH FLOWS FROM (USED IN) CAPITAL AND RELATED  
FINANCING ACTIVITIES

Interest on restricted assets	382,042	
Principle payments on contract payable	(318,571)	
Interest payments on contract payable	(320,800)	
State grant	43,383	
Acquisition of equipment and construction	<u>(556,615)</u>	
Net cash (used in) capital and related financing activities		(770,561)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on cash and cash equivalents	<u>73,282</u>	
Net (decrease) in cash and cash equivalents		(205,563)

CASH AND CASH EQUIVALENTS, JANUARY 1, 2007

9,028,448

CASH AND CASH EQUIVALENTS, DECEMBER 31, 2007

\$ 8,822,885

RECONCILIATION OF OPERATING (LOSS) TO NET CASH FROM  
(USED IN) OPERATING ACTIVITIES:

Operating (loss)	\$ (230,463)	
Adjustments to reconcile operating income to net cash from (used in) operating activities:		
Depreciation	445,076	
Water and sewer connection fees	672,000	
Changes in assets and liabilities		
(Increase) in accounts receivable	(34,783)	
Decrease in prepaid expenses	10,271	
(Increase) in inventory	(19,465)	
(Decrease) in accounts payable	(258,036)	
Increase in accrued vacation and sick	3,157	
Increase in due to other funds	462	
(Increase) in due from other funds	(25,783)	
(Decrease) in customer deposits	<u>(70,720)</u>	
Total net cash from operating activities		<u><u>\$ 491,716</u></u>

The accompanying notes are an integral part of the financial statements.

NOTES  
TO  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Charter Township of Superior was incorporated February 26, 1979, under the provision of Public Act 90 of 1976, as amended. The policies of the Charter Township of Superior conform to generally accepted accounting principles as applicable to governmental units.

The following is a summary of the more significant policies:

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental fund types are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equal net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expense between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

Also, part of the basic financial statements are fund financial statements for the governmental funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures of fund category and of the governmental funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund accounts for the activities related to operating fire protection services. This fund is primarily supported through the collection of property taxes.

The Law Enforcement Fund accounts for the activities related to operating police protection services. This fund is primarily supported through the collection of property taxes and charges for services.

Hyundai Special Assessment Fund was created to account for the collection of the specials assessment for the Hyundai Road Project.

The Township reports the following major proprietary fund:

The Sewer and Water Fund accounts for all the activity associated with the operations and maintenance of operating the sewer and water systems of the Township.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

1. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, licenses, fees and permits, intergovernmental revenues, charges for services and interest.
2. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
3. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond/debt proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balances as a measure of available spendable resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, reconciliations are provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

Private-sector standards of accounting issued prior to December 1, 1989 are generally followed in both the government-wide and enterprise funds reported on the proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities.

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs.

C. BUDGETARY DATA

The Township approves budgets for the general and special revenue funds. Amendments made during the fiscal year are reflected in the budget column of the appropriate financial statement. The budgets are prepared on a modified accrual basis.

D. PROPERTY TAXES

The Township property tax is levied each December 1 on the taxable valuation of property located in the Township as of the preceding December 31. Taxable values are established annually by the county and are equalized by the state. Real and personal property in the Township for the 2006 levy was assessed at an adjusted taxable value of \$593,015,195. Taxes are due and payable by February 28. Delinquent real and personal property taxes are returned to the County Treasurer for collection.

The Township levies the following millage:

General township operations	0.7935
Police	2.1100
Fire	3.1734
Legal defense	0.2500
Total millage	<u>6.3269</u>

E. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Land is considered a capital asset regardless of initial cost. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	10 to 50 years
Machinery and equipment	5 to 40 years

Any capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

F. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of Charter Township of Superior as the primary government have been included in the financial statements.

NOTE 3 - INTERFUND BALANCES AND TRANSFERS

All interfund balances are short-term in character. Interfund transfers will be collected during the next reporting period. These amounts are reported as current assets in the governmental balance sheets. The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Fund</u>	<u>Interfund Payables</u>
Building Fund	\$ 1,658	General Fund	\$ 1,658
Fire Fund	616,958	Current Tax Fund	616,958
General Fund	13,142	Trust and Agency Fund	13,142
General Fund	5,000	Trust and Agency Fund	5,000
General Fund	13,415	Building Fund	13,415
General Fund	21,449	Streetlight Fund	21,449
General Fund	5,000	Payroll Fund	5,000
General Fund	162,640	Current Tax Fund	162,640
General Fund	13,210	Current Tax Fund	13,210
General Fund	5,950	Law Fund	5,950
Ground Maintenance Fund	9,642	Current Tax Fund	9,642
Law Fund	405,620	Current Tax Fund	405,620
Law Fund	53	General Fund	53
Legal Defense Fund	47,037	Current Tax Fund	47,037
Parks and Recreation Fund	40	Utility Fund	40
Payroll Fund	4,806	Fire Fund	4,806
Payroll Fund	400	Parks and Recreation Fund	400
Payroll Fund	1,488	Building Fund	1,488
Payroll Fund	2,985	Utility Fund	2,985
Payroll Fund	3,594	General Fund	3,594
Payroll Fund	25	General Fund	25
Streetlight Fund	37,822	Current Tax Fund	37,822
Utility Fund	66	Fire Fund	66
Utility Fund	2,372	Parks and Recreation Fund	2,372
Utility Fund	36,594	Current Tax Fund	36,594
Total	<u>\$ 1,410,966</u>		<u>\$ 1,410,966</u>



CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 3 - INTERFUND BALANCES AND TRANSFERS (continued)

Interfund transfers reported in the fund financial statements are comprised of the following:

<u>Fund Providing Resources</u>	<u>Fund Receiving Resources</u>	<u>Amount</u>
General Fund	Parks and Recreation	\$ 172,744
Law Fund	Fire Fund	20,000
Fire Fund	Fire Reserve Fund	433,561
		<u>\$ 626,305</u>

NOTE 4 - GOVERNMENTAL AND PROPRIETARY CAPITAL ASSETS

A summary of changes in governmental fund capital assets is as follows:

	<u>Audited Balance 1/1/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Audited Balance 12/31/07</u>
Land	\$ 966,001	\$ 143,546	\$	\$ 1,109,547
Buildings				
Fire department	2,421,987			2,421,987
General	1,625,154	25,449		1,650,603
Vehicles				
Building department	36,633			36,633
Fire department	1,018,960	415,174	100,000	1,334,134
Parks	23,459			23,459
Equipment				
General	60,492			60,492
Fire department	41,909	9,800		51,709
Parks	136,238	28,598	12,000	152,836
Total capital assets	<u>6,330,833</u>	<u>622,567</u>	<u>112,000</u>	<u>6,841,400</u>
Less accumulated depreciation	<u>1,627,883</u>	<u>175,022</u>	<u>110,400</u>	<u>1,692,505</u>
Net property, plant and equipment	<u>\$ 4,702,950</u>	<u>\$ 447,545</u>	<u>\$ 1,600</u>	<u>\$ 5,148,895</u>
Depreciation expense				
General		\$ 37,830		
Building department		7,327		
Law		3,612		
Fire		114,207		
Parks		12,046		
Total		<u>\$ 175,022</u>		

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

**NOTE 4 - GOVERNMENTAL AND PROPRIETARY CAPITAL ASSETS (continued)**

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. The Township utilizes the straight line method to depreciate capital assets over their estimated useful lives. Depreciation expense was recorded in the general government expense portion of the Statement of Activities. There was \$1,307,142 debt related to these capital assets.

Investment in capital assets:

Historical cost	\$ 6,841,400
Less: Bonds payable	(1,307,142)
Less: Accumulated depreciation	<u>(1,692,505)</u>

Investment in capital assets, net of related debt	<u>\$ 3,841,753</u>
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A summary of changes in capital assets and depreciation for the water and sewer fund is as follows:

	Audited Balance 1/1/07	Additions	Deletions	Audited Balance 12/31/07
Land	\$ 30,000	\$ 110,660	\$	\$ 140,660
Building	412,902	2,735,357		3,148,259
Water and Sewer Systems	12,423,036	3,203,235		15,626,271
Equipment and Improvements	807,193	42,062		849,255
Office Improvements	21,371			21,371
Office equipment	112,081	49,516		161,597
Vehicles	238,320			238,320
Metering program	110,008			110,008
Total cost	<u>14,154,911</u>	<u>6,140,830</u>		<u>20,295,741</u>
Less accumulated depreciation	<u>2,713,496</u>	<u>445,076</u>		<u>3,158,572</u>
Net property, plant and equipment	11,441,415	5,695,754		17,137,169
Construction in progress	<u>5,933,023</u>	<u>556,613</u>	<u>6,140,830</u>	<u>348,806</u>
Net property, plant, equipment and construction in progress	<u>\$ 17,374,438</u>	<u>\$ 6,252,367</u>	<u>\$ 6,140,830</u>	<u>\$ 17,485,975</u>

Depreciation for the systems, equipment, improvements and software is charged as an expense against operations.

Accumulated depreciation is reported on the proprietary fund statement of Net Assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water and Sewer Systems	40 years
System Improvements	30 years
Building	30 years
Office Improvements	15 years
Equipment, Furniture and Software	7 years

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

**NOTE 5 - LONG-TERM DEBT**

**A. Governmental Fund Long-Term Debt**

Accrued Compensated Absences – The Township has recorded a liability in the Statement of Net Assets account group for compensated absences of the general, park, building and fire funds. The policies regarding compensated absences are outlined in the Township's "Rules of Employment" and the "Township Fire Department Agreement".

During 2003 the Township sold bonds totaling \$3.5M (2003 General Obligation Capital Improvement Bonds) of which \$1.5M was used to help finance the construction of a new fire hall and \$2M was used for various water and sewer projects. The \$1.5M was recorded as part of long-term debt. The \$2M was recorded as a liability in the Enterprise Water and Sewer Fund. Interest varies from 2.5% to 4.0%. The debt is payable to Comerica securities (purchaser).

The following summarizes changes in the Township's governmental funds' long-term debt for 2007:

<u>Description</u>	<u>Balance 1/1/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/07</u>
Accrued compensated absences	\$ 284,922	\$ 36,848	\$	\$ 321,770
2003 Capital Improvement Bonds				
Fire Hall	<u>1,358,571</u>	<u></u>	<u>51,429</u>	<u>1,307,142</u>
Totals	<u>\$ 1,643,493</u>	<u>\$ 36,848</u>	<u>\$ 51,429</u>	<u>\$ 1,628,912</u>

**B. Proprietary Fund Long-Term Debt**

The Township's Water and Sewer Fund has two long-term debt obligations which are as follows:

- Sanitary Sewer System No. 2 Contract Payable – Superior and Ypsilanti Townships jointly reconstructed and improved various parts of a shared sewer system. The total cost was approximately \$8.9M broken out by township as follows:

Superior Township	\$ 6,350,000	71.34831%
Ypsilanti Township	<u>2,550,000</u>	<u>28.65169%</u>
Total	<u>\$ 8,900,000</u>	<u>100.0%</u>

In order to finance the project, the two townships sold bonds in the year 2000 pursuant to the provisions of Act No. 233, Public Acts of Michigan, 1955, as amended. The bonds were sold by Ypsilanti Community Utilities Authority (YCUA). The bonds are payable solely from the proceeds of contractual payments to be paid by the townships to the Authority pursuant to the contract, between the townships and the Authority. Superior Township has pledged its respective limited tax full faith and credit for the payment of its respective contractual payments. Interest ranges between 5% and 5.1% per annum.

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 5 - LONG-TERM DEBT (continued)

- 2003 Capital Improvement Bonds Payable - As previously mentioned under governmental fund long-term debt the Township sold bonds of which \$2M of proceeds were used to finance various water and sewer construction projects and was recorded separately as a liability in the water and sewer fund.

The following summarizes changes in the Township's Proprietary Fund (water and sewer) long-term debt for 2007:

<u>Description</u>	<u>Balance 1/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2007</u>
Sanitary Sewer #2 Contract Payable	\$ 5,095,000	\$	\$ 250,000	\$ 4,845,000
2003 Capital Improvement Bonds Payable	1,811,429		68,571	1,742,858
Totals	<u>\$ 6,906,429</u>	<u>\$</u>	<u>\$ 318,571</u>	<u>\$ 6,587,858</u>

The following is a schedule of future required principle and interest payments due from Charter Township of Superior for long-term debt:

Governmental Fund Long-Term Debt

<u>Year</u>	<u>Total</u>	<u>Principle</u>	<u>Interest</u>
2008	\$ 100,208	\$ 55,714	\$ 44,494
2009	100,932	57,857	43,075
2010	101,451	60,000	41,451
2011	103,873	64,286	39,587
2012	104,055	66,429	37,626
2013 - 2017	540,837	387,856	152,981
2018 - 2022	573,221	499,286	73,935
2023	118,028	115,714	2,314
	<u>\$ 1,742,605</u>	<u>\$ 1,307,142</u>	<u>\$ 435,463</u>

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 5 - LONG-TERM DEBT (continued)  
Proprietary Long-Term Debt

<u>Year</u>	<u>Sanitary Sewer #2 Contract Payable</u>		
	<u>Total</u>	<u>Principle</u>	<u>Interest</u>
2008	\$ 506,698	\$ 260,000	\$ 246,698
2009	508,698	275,000	233,698
2010	509,810	290,000	219,810
2011	515,020	310,000	205,020
2012	514,210	325,000	189,210
2013 - 2017	2,603,048	1,925,000	678,048
2018 - 2021	1,611,726	1,460,000	151,726
	<u>\$ 6,769,210</u>	<u>\$ 4,845,000</u>	<u>\$ 1,924,210</u>

<u>Year</u>	<u>2003 Capital Improvement Bonds - Water and Sewer</u>		
	<u>Total</u>	<u>Principle</u>	<u>Interest</u>
2008	\$ 133,612	\$ 74,286	\$ 59,326
2009	134,576	77,143	57,433
2010	135,269	80,000	55,269
2011	138,497	85,714	52,783
2012	138,740	88,571	50,169
2013 - 2017	721,118	517,144	203,974
2018 - 2022	764,295	665,714	98,581
2023 - 2024	157,372	154,286	3,086
	<u>\$ 2,323,479</u>	<u>\$ 1,742,858</u>	<u>\$ 580,621</u>

<u>Year</u>	<u>Total Proprietary Long-Term Debt Water and Sewer</u>		
	<u>Total</u>	<u>Principle</u>	<u>Interest</u>
2008	\$ 640,310	\$ 334,286	\$ 306,024
2009	643,274	352,143	291,131
2010	645,079	370,000	275,079
2011	653,517	395,714	257,803
2012	652,950	413,571	239,379
2013 - 2017	3,324,166	2,442,144	882,022
2018 - 2022	2,376,021	2,125,714	250,307
2023 - 2024	157,372	154,286	3,086
	<u>\$ 9,092,689</u>	<u>\$ 6,587,858</u>	<u>\$ 2,504,831</u>

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

**NOTE 6 - STATEMENT OF CASH FLOWS - ENTERPRISE FUND**

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the year. For purposes of the statement of cash flows, the enterprise fund considers all investments to be cash equivalents due to the highly liquid nature of the investments.

The direct method was utilized to present cash flows from operations. The following is the beginning and ending balances for cash and cash equivalents:

	<u>1/1/07</u>	<u>12/31/07</u>
Unrestricted - operations		
Cash and cash equivalents	\$ 1,313,188	\$ 1,336,246
Restricted		
Cash and cash equivalents	<u>7,715,261</u>	<u>7,486,639</u>
Total	<u>\$ 9,028,449</u>	<u>\$ 8,822,885</u>

The restricted cash and cash equivalents consist of the following:

Capital (construction, replacement, improvement)	\$ 6,138,617
Debt service	1,307,298
Section 36 - (escrow)	<u>40,724</u>
	<u>\$ 7,486,639</u>

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 7 - TOWNSHIP PENSION PLANS

The Township originally adopted a defined contribution plan with Manulife which has since become John Hancock. The eligible employees were all Union Firefighters, full time employees, the Fire Chief, Ordinance Officer, Supervisor, Clerk, Treasurer, Deputy Treasurer, and Trustees. The employee must be at least 18 years of age. The plan is a voluntary plan. However, to join the plan the employee was required to contribute 5% of gross earnings. The match is 10% of the employee's gross earnings.

In January 2004, the Township amended the defined contribution plan when it approved the MERS defined benefit plan as mandatory for all future new hires that work full time (excluding Union Firefighters). The eligibility rules changed. Currently eligible employees for the John Hancock plan are the employees that decided to stay with the John Hancock plan and not switch to the MERS plan, newly hired part-time employees including the Fire Chief and Trustees.

The following summarizes that activity in the John Hancock defined contribution plan for 2006:

Total value January 1, 2006		\$ 917,751
Employer contributions	\$ 46,564	
Employee contributions	24,389	
Net earnings for 2006	<u>56,418</u>	
Total additions		127,371
Distributions to participants	(157,999)	
Charges and fees	<u>(9,532)</u>	
Total deductions		<u>(167,531)</u>
Total value December 31, 2006		<u>\$ 877,591</u>
Covered payroll		<u>\$ 453,756</u>
Total payroll excluding fireman's payroll		<u>\$ 1,260,861</u>

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 7 - TOWNSHIP PENSION PLANS (continued)

The Township also participates in two defined benefit plans with MERS which are as follows:

Division #1 - On October 1, 1990 the Township approved a defined benefit plan (B-3) for all Union Firefighters. Participation is mandatory; employees contribute 6% of earnings (sick pay and uniform allowances are not included as earnings); the plan vests 100% after 10 years of service; retirement options are age 60 with 10 years of service or age 55 with 15 years of service or age 50 with 25 years of service.

Division #2 - On January 1, 2004 the Township approved a defined benefit plan (B-3) for full time non-union employees. Participation is mandatory; employees contribute 5% of earnings; the plan vests 100% after six years of service; retirement options are age 55 with 15 years of service or 30 years of service with no age requirement.

As of December 31, 2007 the fire department had nine covered employees and approximately 24 total employees. Covered and total payrolls for the year ended December 31, 2007 of the fire department were \$453,755 and \$740,885 respectively.

The following information, which is the most current available, was extracted from the township's actuarial consultants, (Segal Company) report as of December 31, 2006 (which may be obtained at the Superior Township Hall). The amount shown as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to (a) help users assess the plan's funding status on a going-concern basis, (b) assess progress being made in accumulating sufficient assets to pay benefits when due, and (c) allow for comparisons among public employee retirement plans. The measure is independent of the actuarial funding method used to determine contributions to the plan.

The unfunded actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 2006. Significant actuarial assumptions used in determining the unfunded actuarial accrued liability include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.5% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement. For the year ending December 31, 2007 Superior Township contributed \$129,498 to both MER's plans.

Membership Summary 2006

<u>Division</u>	<u>Number of employees</u>	<u>Annual Payroll</u>
1 - Non-Union		
Active	15	\$ 693,154
Retirees and Beneficiaries	-	-
2 - Union Fire		
Active	9	675,946
Retirees and Beneficiaries	3	90,664
Totals		
Active	24	1,369,100
Retires and Beneficiaries	3	90,664



CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 7 - TOWNSHIP PENSION PLANS (continued)

Analysis of funding progress:

Division 1 & 2 - Actual Members and Accrued Liabilities - Comparative Schedule						
Valuation Date	Number	Annual Payroll	Accrued Liabilities	Valuation Assets	Funded Percent	Unfunded Accrued Liability
1995	6	260,370	618,348	234,594	38	383,754
1996	6	275,251	695,418	324,617	47	370,801
1997	6	288,844	772,786	433,854	56	338,932
1998	6	309,950	885,802	551,617	62	334,185
1999	6	314,248	966,209	692,510	72	273,699
2000	6	315,410	1,097,035	817,170	74	279,865
2001	6	317,189	1,316,845	940,122	71	376,723
2002	7	414,654	1,487,259	1,002,937	67	484,322
2003	9	534,081	1,585,665	1,145,915	72	439,750
2004	23	1,145,728	2,749,453	1,929,568	70	819,885
2005	25	1,286,267	3,119,123	2,157,669	69	961,454
2006	24	1,369,100	3,427,426	2,443,924	71	983,502

Information could not be provided for the year ended December 31, 2007

At December 31, 2006, the unfunded pension benefit obligation was \$983,502, determined as follows:

GASB 25 INFORMATION (AS OF DECEMBER 31, 2006)

Pension Benefit Obligation:

Retirees and beneficiaries currently receiving benefits	\$ 1,054,335
Terminated employees not yet receiving benefits	0
Non-vested terminated employees	470

Current employees

Accumulated employee contributions including allocated investment income	899,881
Employer financed - Vested	<u>1,472,740</u>

Total actuarial accrued liability 3,427,426

Net assets available for benefits, actuarial value  
(Market Value is \$2,478,112)

2,443,924

Unfunded actuarial accrued liability \$ 983,502

GASB 27 INFORMATION (AS OF DECEMBER 31, 2006)

Fiscal year Beginning January 1, 2007

Annual Required Contribution (ARC) 123,564

Amortization Factor Used 0.054719

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

**NOTE 8 - FUND BALANCE RESERVATIONS AND DESIGNATIONS**

The following is a summary of all reservations and designations of fund balances for all governmental fund types.

	<u>General Fund</u>	<u>Building Fund</u>	<u>Fire Reserves</u>	<u>Parks and Recreation</u>	<u>Law Fund</u>	<u>Total</u>
RESERVED						
Park land development	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 12,948</u>	<u>\$</u>	<u>\$ 12,948</u>
DESIGNATED						
Park land	\$	\$	\$	\$ 444,748	\$	\$ 444,748
Truck replacement			245,957			245,957
Compensated absences	25,679	45,750	303,790	3,288		378,507
Bond payment			107,033			107,033
Building construction			105,129			105,129
General reserve		305,284	357,089		351,755	1,014,128
Total designated	<u>\$ 25,679</u>	<u>\$ 351,034</u>	<u>\$ 1,118,998</u>	<u>\$ 448,036</u>	<u>\$ 351,755</u>	<u>\$ 2,295,502</u>

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

**NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS**

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit union, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal Agency obligation repurchase agreements; bankers; acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's deposits and investments are as follows:

<u>Deposits</u>	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Total</u>	<u>Bank Balance</u>
Insured	\$ 500,000	\$	\$ 500,000	\$ 500,000
Uninsured and uncollateralized	12,741,633	4,200,089	16,941,722	17,386,167
Total deposits	<u>\$ 13,241,633</u>	<u>\$ 4,200,089</u>	<u>\$ 17,441,722</u>	<u>\$ 17,886,167</u>

The investment policy adopted by the board is in accordance with Act 196 PA 1997. The Township's deposits and investments are in accordance with statutory authority.

The Township maintains a petty cash account in the amount of \$1,850.

**NOTE 10 - MERS POST EMPLOYMENT HEALTH CARE SAVINGS PROGRAM**

The Township adopted the MERS post employment health care savings plan during 2005. The program is an employer sponsored program that allows employees to save money in an account that can be used for medical expenses and (or) health insurance premiums after termination of service

For 2007 the Township contributed \$100 per employee per month to individual accounts for each employee, i.e. a total of \$36,975 for all employees. The employee must be considered full time status (37.5 hours per week) to be eligible. To make up for previous years of service, the Township created a compensation schedule with years of service for 15 - 25 years being weighted heavier than years 1 -14. Based on this schedule, a lump sum was deposited in each employee's account by the Township. For each employee to receive the lump sum start-up money a signed release and settlement agreement releasing the Township from a previously adopted retirement health care program was completed by each employee.

The Township requires employees to contribute toward their account an amount based on the employee's employment class. There are more than several different classes of employees. The mandated contributions range from 2% of compensation to 50% of compensation.

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - MERS POST EMPLOYMENT HEALTH CARE SAVINGS PROGRAM (continued)

The Township contribution is subject to a vesting schedule as follows:

<u>Employees service</u>	<u>Vested Percentage</u>
Prior to six (6) years full time employment	0%
Six (6) years but less than nine (9) years full time employment	25%
Nine (9) years but less than twelve (12) years full time employment	50%
Twelve (12) years but less than fifteen (15) years full time employment	75%
Fifteen (15) or more years full time employment	100%

The mandated employee contributions are vested immediately and are withheld as pretax contributions.

Employees may also make elective (additional) only upon separation from service.

All contributions are invested in the MERS portfolio and grow tax free. When an employee retires the savings account is available for tax free reimbursement of medical expenses and (or) health insurance premiums for employees, and spouses and dependents of employees.

NOTE 11 - CONTINGENT LIABILITIES - LITIGATION

The Township is currently involved in several disputes related to assessment and zoning matters. Some of these disputes could result in substantial costs to the Township. An estimate of the costs could not be made as of the report date.

NOTE 12 - ECONOMIC DEPENDENCY

The water and sewer fund is economically dependent on one unit, St. Joseph Hospital. This unit makes up for approximately 21% of the total billings of the system.

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

**NOTE 13 - GRANT ACTIVITIES AND CONTINGENCIES**

The grants have been received by the Charter Township of Superior for various fire department and sewer and water activities. These grants are subject to financial and compliance audits by the grantors or their representatives. The audits for the year ended December 31, 2006 and 2007 have not yet been completed.

**NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUND**

The Township maintains a proprietary fund which is financed by user charges. Segment information as of December 31, 2007 follows:

	<u>Water and Sewer System</u>
Operating revenues	\$ 2,564,537
Depreciation	445,076
Operating (loss)	(230,463)
Interest and other non-operating revenues and (expenses)	177,905
Capital contributions	672,000
Change in net assets	619,442
 Current assets	 1,967,397
Current liabilities	535,732
Net working capital	1,431,665
 Total assets	 26,940,011
Total liabilities	6,789,304
Net assets	20,150,707

REQUIRED  
SUPPLEMENTARY  
INFORMATION

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 460,190	\$ 462,013	\$ 462,562	\$ 549
Accounting services	18,000	19,212	19,300	88
Trailer fees	4,000	4,000	3,803	(197)
Cable TV fees	114,000	126,600	124,992	(1,608)
State shared revenues	786,250	763,256	763,256	
Grant		202,000	202,000	
Departmental fees	500	500	100	(400)
Planning department professional fees	202,500	163,230	161,263	(1,967)
Summer tax collection fees	19,450	20,612	21,113	501
Solid waste	1,400	1,400	3,775	2,375
Interest income	57,800	81,300	120,343	39,043
Building fund contribution	45,000	45,000	40,881	(4,119)
ROW fees	8,666	8,666	8,759	93
Ordinance violation fees	500	500	4,425	3,925
Recycling education	1,500	1,500	1,500	
Other income	1,600	14,600	13,455	(1,145)
Cell tower		7,906	7,906	
Election reimbursement		3,870	4,648	778
<b>Total revenues</b>	<b>1,721,356</b>	<b>1,926,165</b>	<b>1,964,081</b>	<b>37,916</b>
<b>EXPENDITURES</b>				
Township board	153,762	144,280	137,577	6,703
Township supervisor	83,646	84,026	84,232	(206)
Elections	10,173	10,173	5,799	4,374
Accountant	111,694	106,375	105,238	1,137
Assessor	152,755	150,555	148,363	2,192
Township attorney	92,000	28,500	19,095	9,405
Township clerk	106,418	105,468	103,603	1,865
Board of review	1,802	1,802	639	1,163
Township treasurer	150,959	147,559	144,821	2,738
Computer service department	13,632	24,132	22,864	1,268
Buildings and grounds	77,044	222,958	215,904	7,054
Special projects	54,650	269,780	254,712	15,068
Cemetery upkeep	1,350	1,350	1,350	
Ordinance enforcement	17,044	18,669	16,151	2,518
Planning commission	240,673	259,873	239,070	20,803
Zoning board of appeals	1,930	1,930	857	1,073
Design review board	683	683	283	400
Wetlands board	2,316	2,316	633	1,683
Roads	200,000	206,285	206,481	(196)
Solid waste management system	12,100	16,600	16,776	(176)
Transportation system	23,664	23,664	25,719	(2,055)
Economic development	1,000	1,000	1,000	
Contingencies	6,200	3,200	1,207	1,993
<b>Total expenditures</b>	<b>1,515,495</b>	<b>1,831,178</b>	<b>1,752,374</b>	<b>78,804</b>

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget Amount		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Excess of revenues over (under) expenditures	205,861	94,987	211,707	116,720
OTHER FINANCING SOURCES				
Transfers (out)	(205,861)	(172,744)	(172,744)	
Net change in fund balance		(77,757)	38,963	116,720
FUND BALANCE, JANUARY 1, 2007	1,033,911	1,033,911	1,033,911	
FUND BALANCE, DECEMBER 31, 2007	<u>\$ 1,033,911</u>	<u>\$ 956,154</u>	<u>\$ 1,072,874</u>	<u>\$ 116,720</u>



CHARTER TOWNSHIP OF SUPERIOR  
FIRE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 1,840,371	\$ 1,843,913	\$ 1,844,146	\$ 233
Grant	3,000		345	345
Charges for services		6,000	6,600	600
Other income			828	828
Interest income	40,000	68,000	60,262	(7,738)
Reimbursement		2,837	2,838	1
Sale of assets		12,000	12,000	
Total revenues	1,883,371	1,932,750	1,927,019	(5,731)
<b>EXPENDITURES</b>				
Salaries	668,704	745,704	740,885	4,819
Fire chief - salary	36,565	39,565	39,499	66
Fire marshal - salary	19,858	19,858	19,859	(1)
Part-time wages	30,000	32,000	30,055	1,945
Training	4,000	4,000	1,161	2,839
Payroll taxes	57,757	64,606	63,132	1,474
Health insurance	98,800	119,725	112,861	6,864
Prescription reimbursement	2,500	2,500	1,684	816
Taxable benefits	17,055	20,330	19,649	681
Benefit time cash out	6,000	11,000	9,422	1,578
Pension	57,242	59,242	64,543	(5,301)
Pension - chief	3,656	4,006	4,382	(376)
Uniform allowance	10,972	10,972	5,597	5,375
Holiday allowance	6,579	6,579	6,579	
Office supplies	2,353			
Operating supplies	63,000	38,500	39,529	(1,029)
Repairs and maintenance - supplies	15,000	2,500	520	1,980
Professional services	17,000	21,200	23,155	(1,955)
Telephone	30,000	27,500	25,759	1,741
Transportation			30	(30)
Meals and lodging	1,000	1,000	922	78
Fire prevention	2,000	2,000	2,036	(36)
Insurance and bonds	52,000	56,000	61,717	(5,717)
Utilities	47,000	23,765	21,223	2,542
Repairs and maintenance - equipment	47,000	36,215	34,120	2,095
Books and periodicals	2,500	2,500	1,049	1,451
Memberships and dues	3,500	3,500	1,802	1,698
Bank fees			22	(22)
Contingency	53,000	6,353	3,446	2,907
Building additions and improvements	10,000	10,000		10,000
Debt principle	51,432	51,432	51,429	3
Debt interest	45,837	45,837	45,835	2
Equipment rental	4,000	4,000	2,063	1,937
Equipment	40,000	47,000	12,908	34,092
Total expenditures	1,506,310	1,519,389	1,446,873	72,516

CHARTER TOWNSHIP OF SUPERIOR  
FIRE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget Amount		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Excess of revenues over (under) expenditures	<u>377,061</u>	<u>413,361</u>	<u>480,146</u>	<u>66,785</u>
OTHER FINANCING SOURCES				
Transfers in		20,000	20,000	
Transfers (out)	<u>(377,061)</u>	<u>(433,361)</u>	<u>(433,561)</u>	<u>(200)</u>
Total other financing sources	<u>(377,061)</u>	<u>(413,361)</u>	<u>(413,561)</u>	<u>(200)</u>
Net change in fund balance			66,585	66,585
FUND BALANCE, JANUARY 1, 2007	<u>427,245</u>	<u>427,245</u>	<u>427,245</u>	
FUND BALANCE, DECEMBER 31, 2007	<u>\$ 427,245</u>	<u>\$ 427,245</u>	<u>\$ 493,830</u>	<u>\$ 66,585</u>

CHARTER TOWNSHIP OF SUPERIOR  
LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 1,222,006	\$ 1,222,006	\$ 1,224,190	\$ 2,184
Fines and forfeits	28,000	23,000	21,995	(1,005)
Law enforcement	109,871	109,871	109,871	
Charge for service		1,700	1,485	(215)
Interest	14,000	31,200	38,407	7,207
Total revenues	1,373,877	1,387,777	1,395,948	8,171
EXPENDITURES				
Crime Control				
Contract services	988,839	988,839	988,839	
Operating supplies			280	(280)
Professional services	15,000	12,800	12,155	645
Printing and publishing	1,000	1,000		1,000
Utilities	10,000	10,000	8,672	1,328
Repairs and maintenance	3,000	500	8,076	(7,576)
Project cost		4,800	6,800	(2,000)
Building additions and improvements		7,599	7,599	
Insurance	4,200	4,200		4,200
Neighborhood Watch				
Salaries	2,000	2,000	520	1,480
Social security	153	153	40	113
Operating supplies	600	600		600
Transportation	100	100		100
Printing and publishing	800	800		800
Project costs	600	600		600
Postage	800	800		800
Contingencies	4,600	3,880	2,291	1,589
Total expenditures	1,031,692	1,038,671	1,035,272	3,399
Excess of revenues over (under) expenditures	342,185	349,106	360,676	11,570
OTHER FINANCING SOURCES				
Transfers (out)		(20,000)	(20,000)	
Net change in fund balance	342,185	329,106	340,676	11,570
FUND BALANCE, JANUARY 1, 2007	169,063	169,063	169,063	
FUND BALANCE, DECEMBER 31, 2007	\$ 511,248	\$ 498,169	\$ 509,739	\$ 11,570

SUPPLEMENTARY  
INFORMATION

COMBINING  
FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF SUPERIOR  
ALL SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2007

	<u>Hyundai Special Assessment</u>	<u>Building Fund</u>	<u>Legal Defense Fund</u>	<u>Fire Fund</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$	\$ 615,411	\$ 105,103	\$ 659,372
Accounts receivable - taxes			88,146	1,156,234
Accounts receivable - special	1,250,000			
Due from other funds		1,658	47,037	616,958
Accounts receivable - other				1,700
Prepaid expenditures		1,711		18,034
	<u>\$ 1,250,000</u>	<u>\$ 618,780</u>	<u>\$ 240,286</u>	<u>\$ 2,452,298</u>
Total assets	<u>\$ 1,250,000</u>	<u>\$ 618,780</u>	<u>\$ 240,286</u>	<u>\$ 2,452,298</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts payable	\$	\$ 734	906	\$ 13,083
Deferred revenue	1,250,000		147,951	1,940,513
Due to other funds		14,903		4,872
	<u>1,250,000</u>	<u>15,637</u>	<u>148,857</u>	<u>1,958,468</u>
Total liabilities	<u>1,250,000</u>	<u>15,637</u>	<u>148,857</u>	<u>1,958,468</u>
FUND BALANCE				
Reserved:				
Park land development				
Unreserved:				
Designated		351,034		
Undesignated		252,109	91,429	493,830
		<u>603,143</u>	<u>91,429</u>	<u>493,830</u>
Total fund equity		<u>603,143</u>	<u>91,429</u>	<u>493,830</u>
Total liabilities and fund equity	<u>\$ 1,250,000</u>	<u>\$ 618,780</u>	<u>\$ 240,286</u>	<u>\$ 2,452,298</u>

<u>Fire Reserves Fund</u>	<u>Parks and Recreation Fund</u>	<u>Law Enforcement Fund</u>	<u>Streetlight Fund</u>	<u>Side Street Maintenance Fund</u>	<u>Totals</u>
\$ 1,118,998	\$ 546,693	\$ 626,830 760,070	\$ 23,917	\$ 11,434	\$ 3,707,758 2,004,450
	40	405,673	38,919	7,778	1,296,697
		3,394	37,822	9,642	1,118,830
	8,014				5,094
					27,759
<u>\$ 1,118,998</u>	<u>\$ 554,747</u>	<u>\$ 1,795,967</u>	<u>\$ 100,658</u>	<u>\$ 28,854</u>	<u>\$ 8,160,588</u>
\$	\$ 4,004	\$ 4,604	\$ 6,006	\$	\$ 29,337
		1,275,674		17,420	4,631,558
	2,772	5,950	21,449		49,946
	6,776	1,286,228	27,455	17,420	4,710,841
	12,948				12,948
1,118,998	448,036	351,755			2,269,823
	86,987	157,984	73,203	11,434	1,166,976
1,118,998	547,971	509,739	73,203	11,434	3,449,747
<u>\$ 1,118,998</u>	<u>\$ 554,747</u>	<u>\$ 1,795,967</u>	<u>\$ 100,658</u>	<u>\$ 28,854</u>	<u>\$ 8,160,588</u>

CHARTER TOWNSHIP OF SUPERIOR  
ALL AGENCY FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2007

	Trust and Agency Fund	Current Tax Fund	Payroll Fund	Totals
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 293,108	\$ 3,884,314	\$ 22,667	\$ 4,200,089
Due from other funds			13,298	13,298
Due from others			100	100
Total assets	<u>\$ 293,108</u>	<u>\$ 3,884,314</u>	<u>\$ 36,065</u>	<u>\$ 4,213,487</u>
<u>LIABILITIES</u>				
LIABILITIES				
Due to others	\$ 274,966	\$ 2,554,791	\$ 31,065	\$ 2,860,822
Due to other funds	18,142	1,329,523	5,000	1,352,665
Total liabilities	<u>\$ 293,108</u>	<u>\$ 3,884,314</u>	<u>\$ 36,065</u>	<u>\$ 4,213,487</u>



CHARTER TOWNSHIP OF SUPERIOR  
ALL SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Legal Defense Fund	Building Fund	Fire Fund	Fire Reserves Fund	Parks and Recreation Fund	Law Enforcement Fund	Streetlight Fund	Side Street Maintenance Fund	Totals (Memorandum Only)	
									2007	2006
REVENUES										
Taxes	\$ 144,600	\$	\$ 1,844,146	\$	\$	\$ 1,224,190	\$	\$ 17,420	\$ 3,230,356	\$ 2,434,604
Special assessments							76,741		76,741	62,572
Grant			345						345	
Licenses and permits										261,622
Disposition of assets										403,500
Charges for services		198,171	6,600		4,825	109,871			319,467	103,927
Rental income					2,676				2,676	2,892
Administration fees										1,080
Fines and forfeitures						21,995			21,995	27,645
Insurance reimbursement			2,838						2,838	
Interest income	717	32,309	60,262	35,640	26,775	38,407	2,183	807	197,100	156,603
Other income			828		100	1,485			2,413	2,975
Sale of assets			12,000						12,000	
Total revenues	145,317	230,480	1,927,019	35,640	34,376	1,395,948	78,924	18,227	3,865,931	3,457,420
EXPENDITURES										
Building department		343,067							343,067	346,048
Fire protection			1,446,873	415,176					1,862,049	1,342,135
Parks and recreation										
Administration					74,898				74,898	66,858
Recreation					15,454				15,454	19,137
Maintenance and Improvements					116,896				116,896	129,398
Buildings and grounds										
Law enforcement										
Crime control						1,032,421			1,032,421	770,228
Neighborhood watch						560			560	561
Tax chargebacks						2,291			2,291	317
Side street maintenance								14,126	14,126	13,677
Utilities										64,520
Legal defense	53,888						69,213		123,101	
Total expenditures	53,888	343,067	1,446,873	415,176	207,248	1,035,272	69,213	14,126	3,584,863	2,752,879

Excess of revenues over (under) expenditures	91,429	(112,587)	480,146	(379,536)	(172,872)	360,676	9,711	4,101	281,068	704,541
OTHER FINANCING SOURCES (USES)										
Transfers-in			20,000	433,561	172,744				626,305	20,000
Transfers-out			(433,561)			(20,000)			(453,561)	179,657
Total other financing sources (uses)			(413,561)	433,561	172,744	(20,000)			172,744	199,657
Net change in fund balance	91,429	(112,587)	66,585	54,025	(128)	340,676	9,711	4,101	453,812	904,198
FUND BALANCE, JANUARY 1, 2007		715,730	427,245	1,064,973	548,099	169,063	63,492	7,333	2,995,935	2,091,737
FUND BALANCE, DECEMBER 31, 2007	<u>\$ 91,429</u>	<u>\$ 603,143</u>	<u>\$ 493,830</u>	<u>\$ 1,118,998</u>	<u>\$ 547,971</u>	<u>\$ 509,739</u>	<u>\$ 73,203</u>	<u>\$ 11,434</u>	<u>\$ 3,449,747</u>	<u>\$ 2,995,935</u>

INDIVIDUAL  
FUNDS

GENERAL  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
BALANCE SHEET  
DECEMBER 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 675,907
Accounts receivable - taxes	289,103
Accounts receivable - grant	117,326
Accounts receivable - state shared revenues	248,398
Accounts receivable - other	110,159
Due from other funds	239,806
Prepaid expenditures	5,392
	<hr/>
Total assets	<u>\$ 1,686,091</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 122,685	
Deferred revenue	485,202	
Due to other funds	5,330	
	<hr/>	
Total liabilities		\$ 613,217

FUND BALANCE

Unreserved		
Undesignated	1,047,195	
Designated	25,679	
	<hr/>	
Total fund balance		<u>1,072,874</u>
Total liabilities and fund balance		<u>\$ 1,686,091</u>

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES	\$ 1,926,165	\$ 1,964,081	\$ 37,916
EXPENDITURES	<u>1,831,178</u>	<u>1,752,374</u>	<u>78,804</u>
Excess of revenues over (under) expenditures	94,987	211,707	116,720
OTHER FINANCING SOURCES			
Transfers (out)	<u>(172,744)</u>	<u>(172,744)</u>	<u></u>
Net change in fund balance	(77,757)	38,963	116,720
FUND BALANCE, JANUARY 1, 2007	<u>1,033,911</u>	<u>1,033,911</u>	<u></u>
FUND BALANCE, DECEMBER 31, 2007	<u><u>\$ 956,154</u></u>	<u><u>\$ 1,072,874</u></u>	<u><u>\$ 116,720</u></u>

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 462,013	\$ 462,562	\$ 549
Accounting services	19,212	19,300	88
Trailer fees	4,000	3,803	(197)
Cable TV fees	126,600	124,992	(1,608)
State shared revenues	763,256	763,256	
Grant	202,000	202,000	
Departmental fees	500	100	(400)
Planning department professional fees	163,230	161,263	(1,967)
Summer tax collection fees	20,612	21,113	501
Solid waste	1,400	3,775	2,375
Interest income	81,300	120,343	39,043
Building fund contribution	45,000	40,881	(4,119)
ROW fees	8,666	8,759	93
Ordinance violation fees	500	4,425	3,925
Recycling education	1,500	1,500	
Other income	14,600	13,455	(1,145)
Cell tower	7,906	7,906	
Election reimbursement	3,870	4,648	778
Total revenues	<u>\$ 1,926,165</u>	<u>\$ 1,964,081</u>	<u>\$ 37,916</u>

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Salaries	\$ 9,000	\$ 8,200	\$ 800
Assistant wages	11,371	11,200	171
Part-time wages		15	(15)
Life insurance	650	545	105
Training	1,500	1,736	(236)
Payroll taxes	1,711	1,467	244
Health insurance	5,519	5,548	(29)
Prescription reimbursement	1,500	1,021	479
Pension	2,216	1,195	1,021
Unemployment taxes	9,188	9,189	(1)
Office supplies	5,500	4,561	939
Postage	15,000	14,041	959
Professional services	13,725	11,750	1,975
Telephone	7,000	6,207	793
Insurance and bonds	28,000	32,655	(4,655)
Transportation	2,800	2,622	178
Meals and lodging	1,000	1,067	(67)
Printing and publishing	6,100	5,896	204
Repairs and maintenance	7,000	7,003	(3)
Equipment rental	2,200	874	1,326
Books and periodicals	200	185	15
Memberships and dues	13,000	10,535	2,465
Bank charges	100	65	35
Total township board	144,280	137,577	6,703



CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
<b>TOWNSHIP SUPERVISOR</b>			
Salary	65,048	65,049	(1)
Payroll taxes	5,127	5,227	(100)
Health insurance	2,987	2,985	2
Taxable benefits	4,476	4,578	(102)
Pension	6,388	6,393	(5)
Total supervisor	84,026	84,232	(206)
<b>ELECTIONS</b>			
Salaries	2,000	1,069	931
Contracted services	3,300	2,760	540
Payroll taxes	153	80	73
Supplies	4,200	1,511	2,689
Printing and publishing	200	250	(50)
Postage	320	129	191
Total elections	10,173	5,799	4,374
<b>ACCOUNTANT</b>			
Salary	42,132	41,648	484
Assistant	30,488	30,440	48
Training	300		300
Payroll taxes	5,967	5,822	145
Health insurance	13,138	13,109	29
Taxable benefits	5,844	5,535	309
Pension	7,606	8,024	(418)
Operating supplies	900	660	240
Total accountant	106,375	105,238	1,137

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
ASSESSOR			
Salary	54,300	54,301	(1)
Assistant wages	17,239	17,228	11
Other staff	34,479	34,457	22
Training	700	430	270
Payroll taxes	8,725	8,404	321
Health insurance	12,899	12,147	752
Taxable benefits	8,053	7,807	246
Pension	10,760	10,800	(40)
Operating supplies	1,000	525	475
Transportation	1,000	847	153
Meals and lodging	700	707	(7)
Memberships and dues	700	470	230
Contract services		240	(240)
Total assessor	150,555	148,363	2,192
TOWNSHIP ATTORNEY			
Professional services	28,500	19,095	9,405
TOWNSHIP CLERK			
Salary	57,617	58,942	(1,325)
Deputy salary	17,240	15,903	1,337
Payroll taxes	5,666	3,922	1,744
Health insurance	16,574	16,426	148
Pension	7,504	7,545	(41)
Taxable benefits	867	865	2
Total township clerk	105,468	103,603	1,865
BOARD OF REVIEW			
Contract services	350		350
Salaries	800	480	320
Payroll taxes	27	37	(10)
Training	375	112	263
Transportation	250	10	240
Total board of review	1,802	639	1,163

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
<b>TOWNSHIP TREASURER</b>			
Salary	57,617	57,617	
Deputy salary	31,734	31,932	(198)
Treasurer assistant	20,200	19,182	1,018
Training	500		500
Payroll taxes	9,356	8,968	388
Health insurance	5,426	4,791	635
Taxable benefits	10,452	10,286	166
Pension	9,674	9,195	479
Operating supplies	2,600	2,850	(250)
Total treasurer	147,559	144,821	2,738
<b>COMPUTER SERVICE DEPARTMENT</b>			
Salaries	3,584	3,586	(2)
Operating supplies	9,000	7,874	1,126
Professional service	10,500	11,135	(635)
Training	200		200
Taxable benefits	215		215
Payroll taxes	275	269	6
Pension	358		358
Total computer service department	24,132	22,864	1,268
<b>BUILDINGS AND GROUNDS</b>			
Salaries	11,769	11,451	318
Contract services	2,800	2,519	281
Payroll taxes	1,085	902	183
Pension	1,418	1,179	239
Taxable benefits	413	341	72
Operating supplies	8,200	7,657	543
Small equipment		385	(385)
Transportation	100	44	56
Utilities	17,000	14,665	2,335
Drains	13,889	13,889	
Repairs and maintenance	12,000	10,318	1,682
Building additions, improvements and land	153,167	151,196	1,971
Property taxes	1,117	1,358	(241)
Total buildings and grounds	222,958	215,904	7,054

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
<b>SPECIAL PROJECTS</b>			
Project costs-general and miscellaneous	12,350	13,639	(1,289)
Sidewalk repalcement	25,000	21,891	3,109
Growth management	2,000	975	1,025
Rouge/Huron general permit/project	2,000	2,000	
Huron watershed council	4,000	2,759	1,241
Old town hall renovation	1,780	1,780	
Rouge watershed	7,500	7,359	141
N.E. seniors program/Meals on Wheels	2,150	2,150	
Non-motorized pathway Macarther	202,000	202,000	
Package sewer system study		159	(159)
Ordiance compilation	11,000		11,000
Total special projects	269,780	254,712	15,068
<b>CEMETERY UPKEEP</b>	1,350	1,350	
<b>ORDINANCE ENFORCEMENT</b>			
Salaries - ordinance enforcement	6,063	6,431	(368)
Salary - zoning officer	6,063	6,064	(1)
Contract services	4,500	1,945	2,555
Payroll taxes	946	974	(28)
Taxable benefits	367	363	4
Pension	630	374	256
Transportation	100		100
Total ordinance enforcement	18,669	16,151	2,518

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
<b>PLANNING COMMISSION</b>			
Salaries	12,000	5,395	6,605
Assistant wages	44,626	44,639	(13)
Contract services		195	(195)
Training	300	395	(95)
Health insurance	6,228	6,471	(243)
Payroll taxes	4,503	3,925	578
Taxable benefits	2,231	2,123	108
Pension	4,685	4,676	9
Professional services	181,000	168,796	12,204
Operating supplies	1,500	1,255	245
Printing and publishing	2,800	1,200	1,600
Total planning commission	259,873	239,070	20,803
<b>ZONING BOARD OF APPEALS</b>			
Salary	300	360	(60)
Training	100		100
Contract services	900	360	540
Payroll taxes	30	28	2
Printing and publishing	600	109	491
Total zoning board of appeals	1,930	857	1,073
<b>DESIGN REVIEW BOARD</b>			
Salaries	360	100	260
Contract services	300	175	125
Payroll taxes	23	8	15
Total design review board	683	283	400
<b>WETLANDS BOARD</b>			
Salaries	200	35	165
Payroll taxes	16	3	13
Professional services	1,000		1,000
Contract services	800	595	205
Printing and publishing	300		300
Total wetlands board	2,316	633	1,683

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
ROADS	<u>206,285</u>	<u>206,481</u>	<u>(196)</u>
 SOLID WASTE MANAGEMENT SYSTEM			
Recycling	9,500	10,204	(704)
Bag and tag	4,000	4,311	(311)
Rubbish collection	<u>3,100</u>	<u>2,261</u>	<u>839</u>
Total solid waste management system	<u>16,600</u>	<u>16,776</u>	<u>(176)</u>
 TRANSPORTATION SYSTEM			
A.A.T.A. contract	15,685	16,057	(372)
Demand response	<u>7,979</u>	<u>9,662</u>	<u>(1,683)</u>
Total transportation system	<u>23,664</u>	<u>25,719</u>	<u>(2,055)</u>
 ECONOMIC DEVELOPMENT			
W.D.C. contract	<u>1,000</u>	<u>1,000</u>	
 CONTINGENCIES			
Tax chargebacks	<u>3,200</u>	<u>1,207</u>	<u>1,993</u>
Total	<u>\$ 1,831,178</u>	<u>\$ 1,752,374</u>	<u>\$ 78,804</u>

BUILDING  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
BUILDING FUND  
BALANCE SHEET  
DECEMBER 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$	615,411	
Due from other funds		1,658	
Prepaid expenditures		<u>1,711</u>	
Total assets	\$	<u>618,780</u>	

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	734	
Due to other funds		<u>14,903</u>	
Total liabilities	\$		15,637

FUND BALANCE

Unreserved			
Undesignated		252,109	
Designated		<u>351,034</u>	
Total fund balance			<u>603,143</u>
Total liabilities and fund balance	\$		<u>618,780</u>



CHARTER TOWNSHIP OF SUPERIOR  
BUILDING FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 194,600	\$ 198,171	\$ 3,571
Interest	31,679	32,309	630
Total revenues	226,279	230,480	4,201
EXPENDITURES			
Accountant	17,480	17,558	(78)
Computer support	6,600	6,529	71
Maintenance	10,000	11,366	(1,366)
Salaries	183,746	182,831	915
Contract services	18,400	15,792	2,608
Training	1,500	1,127	373
Payroll taxes	16,064	15,066	998
Health insurance	25,213	27,618	(2,405)
Prescription reimbursement	2,830	24	2,806
Taxable benefits	16,906	17,777	(871)
Pension	18,822	19,159	(337)
Office supplies	300	43	257
Postage	300	523	(223)
Operating supplies	1,700	1,231	469
Equipment		340	(340)
Professional services	5,250	4,354	896
Telephone	3,000	2,170	830
Insurance	7,000	6,150	850
Transportation	3,500	3,804	(304)
Meals and lodging	2,000	23	1,977
Repairs and maintenance	7,400	7,140	260
Equipment rental		143	(143)
Membership and dues	1,500	1,290	210
Books and periodicals	1,000	1,009	(9)
Printing and publishing	100		100
Total expenditures	350,611	343,067	7,544
Net change in fund balance	(124,332)	(112,587)	11,745
FUND BALANCE, JANUARY 1, 2007	715,730	715,730	
FUND BALANCE, DECEMBER 31, 2007	\$ 591,398	\$ 603,143	\$ 11,745

FIRE  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
FIRE FUND  
BALANCE SHEET  
DECEMBER 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 659,372
Accounts receivable - others	1,700
Accounts receivable - taxes	1,156,234
Due from other funds	616,958
Prepaid expenditures	<u>18,034</u>
Total assets	<u>\$ 2,452,298</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 13,083
Deferred revenue	1,940,513
Due to other funds	<u>4,872</u>

Total liabilities \$ 1,958,468

FUND BALANCE

Undesignated	<u>493,830</u>
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Total liabilities and fund balance \$ 2,452,298

CHARTER TOWNSHIP OF SUPERIOR  
FIRE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,843,913	\$ 1,844,146	\$ 233
FEMA grant		345	345
Insurance reimbursement	2,837	2,838	1
Charges for services	6,000	6,600	600
Other income		828	828
Interest income	68,000	60,262	(7,738)
Sale of assets	12,000	12,000	
Total revenues	1,932,750	1,927,019	(5,731)
EXPENDITURES	1,519,389	1,446,873	72,516
Excess of revenues over (under) expenditures	413,361	480,146	66,785
OTHER FINANCING SOURCES			
Transfer in	20,000	20,000	
Transfers (out)	(433,361)	(433,561)	(200)
Total other financing sources	(413,361)	(413,561)	(200)
Net change in fund balance		66,585	66,585
FUND BALANCE, JANUARY 1, 2007	427,245	427,245	
FUND BALANCE, DECEMBER 31, 2007	\$ 427,245	\$ 493,830	\$ 66,585

CHARTER TOWNSHIP OF SUPERIOR  
FIRE FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
Salaries	\$ 745,704	\$ 740,885	\$ 4,819
Fire chief - salary	39,565	39,499	66
Fire marshal - salary	19,858	19,859	(1)
Part-time wages	32,000	30,055	1,945
Training	4,000	1,161	2,839
Payroll taxes	64,606	63,132	1,474
Health insurance	119,725	112,861	6,864
Prescription reimbursement	2,500	1,684	816
Taxable benefits	20,330	19,649	681
Benefit time cash out	11,000	9,422	1,578
Pension	59,242	64,543	(5,301)
Pension - chief	4,006	4,382	(376)
Uniform allowance	10,972	5,597	5,375
Holiday allowance	6,579	6,579	
Operating supplies	38,500	39,529	(1,029)
Repairs and maintenance - supplies	2,500	520	1,980
Professional services	21,200	23,155	(1,955)
Telephone	27,500	25,759	1,741
Transportation		30	(30)
Meals and lodging	1,000	922	78
Fire prevention	2,000	2,036	(36)
Insurance and bonds	56,000	61,717	(5,717)
Utilities	23,765	21,223	2,542
Repairs and maintenance - equipment	36,215	34,120	2,095
Books and periodicals	2,500	1,049	1,451
Memberships and dues	3,500	1,802	1,698
Bank fees		22	(22)
Contingencies	6,353	3,446	2,907
Building additions and improvements	10,000		10,000
Debt principle	51,432	51,429	3
Debt interest	45,837	45,835	2
Equipment rental	4,000	2,063	1,937
Equipment	47,000	12,908	34,092
Total expenditures	<u>\$ 1,519,389</u>	<u>\$ 1,446,873</u>	<u>\$ 72,516</u>

FIRE RESERVES  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
FIRE RESERVES FUND  
BALANCE SHEET  
DECEMBER 31, 2007

<u>ASSETS</u>	
ASSETS	
Cash	\$ 1,118,998

<u>FUND BALANCE</u>	
FUND BALANCE	
Restricted	\$ 1,118,998

CHARTER TOWNSHIP OF SUPERIOR  
FIRE RESERVES FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$ 45,887	\$ 35,640	\$ (10,247)
EXPENDITURES			
Equipment	<u>420,000</u>	<u>415,176</u>	<u>4,824</u>
Excess of revenues over (under) expenditures	(374,113)	(379,536)	(5,423)
OTHER FINANCING SOURCES			
Transfers in	<u>417,061</u>	<u>433,561</u>	<u>16,500</u>
Net change in fund balance	42,948	54,025	11,077
FUND BALANCE, JANUARY 1, 2007	<u>1,064,973</u>	<u>1,064,973</u>	
FUND BALANCE, DECEMBER 31, 2007	<u><u>\$ 1,107,921</u></u>	<u><u>\$ 1,118,998</u></u>	<u><u>\$ 11,077</u></u>



LEGAL DEFENSE  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
LEGAL DEFENSE FUND  
BALANCE SHEET  
DECEMBER 31, 2007

ASSETS

ASSETS

Cash	\$	105,103	
Accounts receivable - taxes		88,146	
Due from other funds		47,037	
Total assets	\$	240,286	

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	906	
Deferred revenue		147,951	

Total liabilities	\$	148,857	
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FUND BALANCE

91,429

Total liabilities and fund balance	\$	240,286	
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CHARTER TOWNSHIP OF SUPERIOR  
LEGAL DEFENSE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 140,665	\$ 144,600	\$ 3,935
Interest income		717	717
Total revenue	<u>140,665</u>	<u>145,317</u>	<u>4,652</u>
EXPENDITURES			
Professional services	<u>140,665</u>	<u>53,888</u>	<u>86,777</u>
Net change in fund balance		91,429	91,429
FUND BALANCE, JANUARY 1, 2007			
FUND BALANCE, DECEMBER 31, 2007	<u><u>\$</u></u>	<u><u>\$ 91,429</u></u>	<u><u>\$ 91,429</u></u>

PARKS AND RECREATION  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
PARKS AND RECREATION FUND  
BALANCE SHEET  
DECEMBER 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 546,693	
Due from other funds	40	
Prepaid expenditures	<u>8,014</u>	
Total assets		<u>\$ 554,747</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 4,004	
Due to other funds	<u>2,772</u>	
Total liabilities		\$ 6,776

FUND BALANCE

Reserved:		
Park land development	12,948	
Unreserved:		
Designated	448,036	
Undesignated	<u>86,987</u>	
Total fund balance		<u>547,971</u>
Total liabilities and fund balance		<u>\$ 554,747</u>

CHARTER TOWNSHIP OF SUPERIOR  
PARKS AND RECREATION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Disposition of assets	\$	\$	\$
User fees	4,825	4,825	
Interest income	29,643	26,775	(2,868)
Rental income	2,900	2,676	(224)
Miscellaneous income	<u>100</u>	<u>100</u>	<u>100</u>
Total revenues	37,368	34,376	(2,992)
EXPENDITURES	<u>213,112</u>	<u>207,248</u>	<u>5,864</u>
Excess of revenues over (under) expenditures	(175,744)	(172,872)	2,872
OTHER FINANCING SOURCES			
Transfer in	<u>172,744</u>	<u>172,744</u>	
Net change in fund balance	(3,000)	(128)	2,872
FUND BALANCE, JANUARY 1, 2007	<u>548,099</u>	<u>548,099</u>	
FUND BALANCE, DECEMBER 31, 2007	<u><u>\$ 545,099</u></u>	<u><u>\$ 547,971</u></u>	<u><u>\$ 2,872</u></u>

CHARTER TOWNSHIP OF SUPERIOR  
PARKS AND RECREATION FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
ADMINISTRATION			
Salaries	\$ 34,713	\$ 33,744	\$ 969
Operating supplies	150	349	(199)
Payroll taxes	2,809	2,688	121
Taxable benefits	2,008	2,008	
Health insurance	3,236	3,236	
Prescription reimbursement	700	83	617
Pension	3,069	3,014	55
Insurance and bonds	16,000	15,868	132
Office supplies	1,089	663	426
Professional services	1,991	4,029	(2,038)
Professional services - accountant	6,000	6,000	
Telephone	1,790	1,797	(7)
Printing and publishing	911	910	1
Capital improvement	150		150
Transportation	250	244	6
Miscellaneous	265	265	
Totals	75,131	74,898	233
RECREATION			
Salaries	11,986	12,020	(34)
Payroll taxes	917	920	(3)
Operating supplies	719	719	
Telecommunications	285	285	
Repair and maintenance	1,100	966	134
Transportation	506	506	
Miscellaneous	38	38	
Totals	15,551	15,454	97
MAINTENANCE AND IMPROVEMENTS			
Salaries	31,501	30,293	1,208
Seasonal wages	27,776	25,672	2,104
Payroll taxes	4,915	4,282	633
Pension	2,725	3,035	(310)
Operating supplies	5,300	5,357	(57)
Uniforms	600	503	97
Fuel and lubricants	3,750	4,109	(359)
Professional services		705	(705)
Telephone	750	664	86
Transportation	300	30	270
Utilities	500	399	101
Repair and Maintenance	8,900	6,797	2,103
Controlled burns	2,500	2,500	
Small tools	3,600	3,237	363
Equipment	18,398	18,398	
Beautification project	10,915	10,915	
Totals	122,430	116,896	5,534
Total expenditures	\$ 213,112	\$ 207,248	\$ 5,864

LAW ENFORCEMENT  
FUND



CHARTER TOWNSHIP OF SUPERIOR  
LAW ENFORCEMENT FUND  
BALANCE SHEET  
DECEMBER 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 626,830
Accounts receivable - taxes	760,070
Accounts receivable - other	3,394
Due from other funds	<u>405,673</u>
Total assets	<u>\$ 1,795,967</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 4,604	
Due to other funds	5,950	
Deferred revenue	<u>1,275,674</u>	
Total liabilities		\$ 1,286,228

FUND BALANCE

Restricted	351,755	
Unrestricted	<u>157,984</u>	
Total fund balance		<u>509,739</u>
Total liabilities and fund balance		<u>\$ 1,795,967</u>

CHARTER TOWNSHIP OF SUPERIOR  
LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES	\$ 1,387,777	\$ 1,395,948	\$ 8,171
EXPENDITURES	<u>1,038,671</u>	<u>1,035,272</u>	<u>3,399</u>
Excess of revenues over (under) expenditures	349,106	360,676	11,570
OTHER FINANCING SOURCES			
Transfer (out)	<u>(20,000)</u>	<u>(20,000)</u>	
Net change in fund balance	329,106	340,676	11,570
FUND BALANCE, JANUARY 1, 2007	<u>169,063</u>	<u>169,063</u>	
FUND BALANCE, DECEMBER 31, 2007	<u><u>\$ 498,169</u></u>	<u><u>\$ 509,739</u></u>	<u><u>\$ 11,570</u></u>

CHARTER TOWNSHIP OF SUPERIOR  
LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,222,006	\$ 1,224,190	\$ 2,184
Fines and forfeits	23,000	21,995	(1,005)
Law enforcement	109,871	109,871	
Charge for service	1,700	1,485	(215)
Interest	31,200	38,407	7,207
Total revenues	<u>\$ 1,387,777</u>	<u>\$ 1,395,948</u>	<u>\$ 8,171</u>
EXPENDITURES			
Crime Control			
Contract services	\$ 988,839	\$ 988,839	\$
Professional services	12,800	280	12,520
Printing and publishing	1,000	12,155	(11,155)
Utilities	10,000	8,672	1,328
Repairs and maintenance	500	8,076	(7,576)
Project costs	4,800	6,800	(2,000)
Building additions and improvements	7,599	7,599	
Insurance	4,200		4,200
Neighborhood Watch			
Salaries	2,000	520	1,480
Social security	153	40	113
Operating supplies	600		600
Transportation	100		100
Printing and publishing	800		800
Project costs	600		600
Postage	800		800
Tax chargebacks	3,880	2,291	1,589
Total expenditures	<u>\$ 1,038,671</u>	<u>\$ 1,035,272</u>	<u>\$ 3,399</u>

STREETLIGHT  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
STREETLIGHT FUND  
BALANCE SHEET  
DECEMBER 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$	23,917
Accounts receivable - special assessment		38,919
Due from other funds		<u>37,822</u>
Total assets	\$	<u>100,658</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	6,006
Due to other funds		<u>21,449</u>
Total liabilities	\$	27,455

FUND BALANCE

Unrestricted		<u>73,203</u>
Total liabilities and fund balance	\$	<u>100,658</u>

CHARTER TOWNSHIP OF SUPERIOR  
STREETLIGHT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessment	\$ 65,254	\$ 76,741	\$ 11,487
Interest income	<u>2,600</u>	<u>2,183</u>	<u>(417)</u>
Total revenues	<u>67,854</u>	<u>78,924</u>	<u>11,070</u>
EXPENDITURES			
Utilities	67,354	68,713	(1,359)
Professional services	<u>500</u>	<u>500</u>	
Total expenditures	<u>67,854</u>	<u>69,213</u>	<u>(1,359)</u>
Net change in fund balance		9,711	9,711
FUND BALANCE, JANUARY 1, 2007	<u>63,492</u>	<u>63,492</u>	
FUND BALANCE, DECEMBER 31, 2007	<u><u>\$ 63,492</u></u>	<u><u>\$ 73,203</u></u>	<u><u>\$ 9,711</u></u>

SIDE STREET  
MAINTENANCE  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
SIDE STREET MAINTENANCE FUND  
BALANCE SHEET  
DECEMBER 31, 2007

ASSETS

ASSETS

Cash	\$ 11,434
Due from other funds	9,642
Accounts receivable - special assessment	<u>7,778</u>
Total assets	<u>\$ 28,854</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 17,420
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FUND BALANCE

	<u>11,434</u>
Total liabilities and fund balance	<u>\$ 28,854</u>



CHARTER TOWNSHIP OF SUPERIOR  
SIDE STREET MAINTENANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessment	\$ 17,420	\$ 17,420	\$
Interest income	<u>400</u>	<u>807</u>	<u>407</u>
Total revenues	<u>17,820</u>	<u>18,227</u>	<u>407</u>
EXPENDITURES			
Contract services	14,059	13,500	559
Project costs		592	(592)
Operating supplies	<u></u>	<u>34</u>	<u>(34)</u>
Total expenditures	<u>14,059</u>	<u>14,126</u>	<u>(67)</u>
Net change in fund balance	3,761	4,101	340
FUND BALANCE, JANUARY 1, 2007	<u>7,333</u>	<u>7,333</u>	
FUND BALANCE, DECEMBER 31, 2007	<u><u>\$ 11,094</u></u>	<u><u>\$ 11,434</u></u>	<u><u>\$ 340</u></u>

HYUNDAI SAD  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
HYUNDAI SAD FUND  
BALANCE SHEET  
DECEMBER 31, 2007

ASSETS

ASSETS

Accounts receivable - special assessment

\$ 1,250,000

LIABILITY

LIABILITY

Deferred revenue

\$ 1,250,000

FIRE HALL  
CONSTRUCTION  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
FIRE HALL CONSTRUCTION FUND  
BALANCE SHEET  
DECEMBER 31, 2007

ASSETS

ASSETS  
Cash

\$ 36,933

FUND BALANCE

FUND BALANCE

\$ 36,933

CHARTER TOWNSHIP OF SUPERIOR  
FIRE HALL CONSTRUCTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2007

REVENUES	
Interest income	\$ 1,773
EXPENDITURES	
Professionalsal services	<u>          </u>
Net change in fund balance	1,773
FUND BALANCE, JANUARY 1, 2007	<u>35,160</u>
FUND BALANCE, DECEMBER 31, 2007	<u><u>\$ 36,933</u></u>

WATER AND  
SEWER FUND

CHARTER TOWNSHIP OF SUPERIOR  
WATER AND SEWER FUND  
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Connection fees - cash	\$ 570,930	\$ 672,000	\$ 101,070
Charges for services	2,534,408	2,531,066	(3,342)
Interest income	487,038	455,324	(31,714)
Meter sales	31,000	33,470	2,470
State revolving grant		43,383	43,383
Total revenues	3,623,376	3,735,243	111,867
<b>EXPENSES</b>			
Depreciation	427,680	445,076	(17,396)
Salaries	365,000	367,585	(2,585)
Training and other employee expenses	5,000	2,723	2,277
Payroll taxes	29,960	29,366	594
Health insurance	78,522	77,836	686
Taxable benefits	26,800	27,549	(749)
Pension	37,000	37,845	(845)
Office expenses	4,850	3,811	1,039
Operating supplies and meters	106,000	67,562	38,438
Water and sewer purchases	1,550,000	1,530,146	19,854
Professional	48,714	32,939	15,775
Telecommunications	12,500	12,137	363
Insurance	19,000	16,842	2,158
Transportation	2,500	1,403	1,097
Printing and publishing	6,000	3,634	2,366
Utilities	46,500	50,454	(3,954)
Repairs and maintenance	79,300	64,698	14,602
Membership and dues	6,000	5,743	257
Interest expense - debt	320,834	320,802	32
Computer expenses	15,000	10,612	4,388
Uniforms	2,400	2,451	(51)
Leased equipment	4,000	4,589	(589)
Total expenses	3,193,560	3,115,803	77,757
Net change in fund balance	\$ 429,816	\$ 619,440	\$ 189,624

This schedule is prepared on a budgetary basis for the operating accounts of the enterprise fund and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.



CHARTER TOWNSHIP OF SUPERIOR  
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES - OPERATING ACCOUNTS ONLY  
FOR THE YEARS ENDED DECEMBER 31, 2007, 2006, 2005, 2004, 2003

	2007	2006	2005	2004	2003
REVENUES					
Charges for services	\$ 2,531,066	\$ 2,581,142	\$ 2,532,528	\$ 2,265,414	\$ 2,003,028
Meter sales and other revenue	33,470	57,925	137,827	134,280	123,212
Total revenues	<u>2,564,536</u>	<u>2,639,067</u>	<u>2,670,355</u>	<u>2,399,694</u>	<u>2,126,240</u>
EXPENSES					
Water and sewer purchases	1,530,146	1,566,894	1,604,091	1,423,004	1,199,998
Operating supplies and meters	67,562	66,328	107,105	123,512	96,075
Office expenses	3,811	8,735	7,956	13,563	6,502
Professional services	32,939	31,473	14,516	46,749	39,696
Salaries and wages	367,585	359,847	352,668	345,953	294,658
Payroll taxes	29,366	28,529	27,560	26,976	23,150
Taxable benefits	27,549	20,204	16,443	14,511	11,245
Health insurance	65,648	58,068	66,493	77,568	65,537
Pension	37,845	34,417	33,397	28,952	26,920
Telephone	12,137	9,132	10,349	10,431	9,972
Insurance	16,842	21,154	15,057	18,606	9,396
Transportation	1,403	2,326	8,197	5,293	3,621
Utilities	50,454	27,018	4,820	4,439	5,619
Repairs and maintenance	64,698	56,885	86,268	56,947	58,339
Printing and publishing	3,634	5,099	4,637	3,564	3,224
Office rent			9,391	9,030	8,600
Memberships and dues	5,743	3,673	2,919	3,227	1,017
Computer expenses	10,612	9,046	9,086	10,717	4,173
Training and other employee expenses	2,723	4,121	4,266	2,882	5,929
Uniforms	2,451	2,381	2,118	3,067	2,311
Health savings expense	12,188	7,839	9,000		
Lease equipment	4,589	4,621	5,110		
Total expenses	<u>2,349,925</u>	<u>2,327,790</u>	<u>2,401,447</u>	<u>2,228,991</u>	<u>1,875,982</u>
Net revenues over expenses	<u>\$ 214,611</u>	<u>\$ 311,277</u>	<u>\$ 268,908</u>	<u>\$ 170,703</u>	<u>\$ 250,258</u>

This schedule only includes operating revenues and expenses (excludes connection fees revenue, interest income, depreciation expense, and interest expense) and as such does not present results of operations on the basis of generally accepted accounting principles but is presented for supplementary information.

TRUST AND  
AGENCY FUND

CHARTER TOWNSHIP OF SUPERIOR  
TRUST AND AGENCY FUND  
BALANCE SHEET  
DECEMBER 31, 2007

ASSETS

ASSETS

Cash and cash equivalents

\$ 293,108

LIABILITIES

LIABILITIES

Due to others

\$ 274,966

Due to other funds

18,142

Total liabilities

\$ 293,108

CURRENT TAX  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
CURRENT TAX FUND  
BALANCE SHEET  
DECEMBER 31, 2007

ASSETS

ASSETS

Cash and cash equivalents

\$ 3,884,314

LIABILITIES

LIABILITIES

Due to others

\$ 2,554,791

Due to other funds

1,329,523

Total liabilities

\$ 3,884,314

PAYROLL  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
PAYROLL FUND  
BALANCE SHEET  
DECEMBER 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$	22,667
Due from others		100
Due from other funds		<u>13,298</u>

Total assets			\$	<u><u>36,065</u></u>
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LIABILITIES

LIABILITIES

Due to others	\$	31,065
Due to other funds		<u>5,000</u>

Total liabilities			\$	<u><u>36,065</u></u>
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**PFEFFER • HANNIFORD • PALKA**  
*Certified Public Accountants*

**John M. Pfeffer, C.P.A.**  
**Patrick M. Hanniford, C.P.A.**  
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April 25, 2008

Charter Township of Superior  
Honorable Board of Trustees  
3040 North Prospect  
Ypsilanti, MI 48198

Dear Honorable Board of Trustees:

During our audit of the Charter Township of Superior we came across the following matter that we would like to discuss with you as part of our audit presentation for the year ending December 31, 2007.

The matter which we would like to discuss with you is as follows:

1. There is a new auditing standard (SAS #112) which we are required to follow as your auditing firm. This new standard relates to more formal communications by us to you regarding significant deficiencies in your internal controls and accounting procedures.

There are certain issues (deficiencies) which were previously considered general comments but under the new standard are now considered significant deficiencies.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's or detected by the entity's internal control.

We consider the following to be a material weakness of the Township.

- Journal entries were required during the audit to ensure the financial statement presentation was in conformity with generally accepted accounting principles. It should be noted that these journal entries were related to the full-accrual presentation of the government-wide statements (converting fund financial statements to full accrual statements).



We have previously discussed this matter with you and your response was as follows:

Response By Management

We understand that you must follow the aforementioned auditing standard to complete the audit in accordance with Generally Accepted Auditing Standards as applicable to the audit of the Township. However, we prefer that you as our auditing firm continue to make the applicable journal entries to convert the fund financial statements to full accrual statements as required by GASB 34. We believe the costs to circumvent this comment would outweigh the benefits to the Township.

Therefore, we completely understand the comment and request that Pfeffer, Hanniford & Palka, CPA's continue to make the conversion journal entries in the future.

Conclusion

Thank you for your assistance and hospitality toward our firm while conducting the audit of the Charter Township of Superior.

If you should have any questions, comments or concerns please do not hesitate to call us.

This report is intended solely for the information and use of the Board of Trustees and management of the Charter Township of Superior and is not intended to be and should not be used by anyone other than the specified parties.

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants